

Retail
Working Group Meeting Summary
September 29, 2006

Overview

Rich Bradley, Executive Director of the Downtown BID, gave an overview of the Center City Action Agenda. The DC Office of Planning and the Downtown BID have partnered to create a process as a follow-up to the successful 2000 Downtown Action Agenda. The downtown area is becoming built-out, with only about 5 million square feet of development potential out of a projected 25-30 million square feet over the next five years. One visible trend is development is shifting to areas adjacent to the traditional downtown area, which is to be expected as the core area is built out. Therefore, there is a need to look at a broader area – the Center City. This broader area encompasses the higher-density zoning and mixed-use development types that are found in the downtown area – stretching from Dupont Circle to the SE-SW Waterfront and from Foggy Bottom to Capital Hill.

The Action Agenda will establish a new set of 5-year goals with a list of strategic actions that can be initiated over the next 18 months in order to achieve those goals. Another significant change from the 2000 Action Agenda will be the consideration of qualitative factors, such as sense of place and other quality of life indicators that are more than square feet or dollar value. The planning process will be relatively quick, with a final report issued in February, 2007. A steering committee provides oversight and will sort out priorities between the eight different working groups. The working group process will be an intensive two-meeting process. This first meeting will be for issue identification. The second meeting will be to identify 8-10 strategic actions, with 2-3 high priority actions, to achieve the 5-year goals. The actions can be broadly defined to include future planning studies as well as “bricks and mortar” improvement projects.

Retail Issue Discussion

- Perception - the biggest retail challenge is strengthening the perception of Washington as a retail market. There is a perception that the District is not a fashion capital. However, the edgy/luxury retailers are interested in the Dupont, Georgetown and Connecticut Avenue sub-markets.
- Marketing - there is no entity that is responsible for marketing retail to consumers within the District and region. We need to market retail opportunities to the industry and to residents, and brand DC as a market with a variety of opportunities.

- Leakage and critical mass - Suburban residents do not come to the District to shop. The Center City needs to develop a critical mass of retail in destination districts that are perceived as safe and entertaining environments. Georgetown is seen as a regional retail destination with critical mass. A critical mass of retail development at the old Convention Center site could help reverse the flow of shopping dollars to the suburbs back into the city.
- Uniqueness – in order for a shopping district to retain its uniqueness, we need to make sure that the merchants leasing in Georgetown, for example, are not the same as in national malls. However, rents are so high that it makes it difficult to keep unique merchants and independent retailers. The merchants who can afford these high rent structures are often the national retailers.
- Place – the challenge in downtown is creating a sense of place. The city was built with the car in mind, with retail as an afterthought. The Center City needs to do placemaking for retail. We need to push urban models that will make us unique. For example, retail at Bethesda Row tends to be intimate rather grand, with continuous ground floor frontage of retail and restaurants.
- Market identity and definition – where is the natural market for downtown? Downtown is more of an entertainment district, but it needs to refocus on retail. What is the role of department stores? Perhaps the concept store approach is more appropriate than adding new department stores. Developers should ask national retailers to do concept stores.
- Submarkets – a variety of submarkets should provide different retail offerings. Each submarket should be a great neighborhood place, with distinct and complete experiences. The submarkets are not branded yet. However, there may be a threat to adding more retail. We are spreading ourselves too thin, and should first focus on the Convention Center site. Baseball is further into the future.
- Multi destination market – the District should evolve into a multi destination market, with layers and clusters of retail offerings, such as those in Georgetown, 14th and U Streets, H Street, etc. Georgetown is a critical component and should be included in the Center City geography.
- Two retail strategies could be developed over time: 1) Establish distinct neighborhood retail nodes that support independent “Mom & Pop” retailers and provide support retail for residents; and 2) Establish and reinforce destination retail districts – such as Georgetown, downtown and the waterfront – that have regional retail appeal but provide retail for DC residents (fashion, grocery, home furnishings, etc.).

Discussion of Possible Strategies & Actions

The discussion identified additional actions:

- Submarkets – Recognize the potential for multiple market places. Identify and refine these submarkets through additional analysis, planning, place making, and retail attraction efforts.
- Marketing – Improve marketing of retail opportunities, including pitching of the variety of sub-markets, to retail brokers, investors, and residents. Create a comprehensive marketing and outreach attraction strategy that is a year-round effort and builds upon the upcoming Retail Action Plan.
- Place Making – Address identity and placemaking dimensions of retail, which can strengthen retail submarkets/clusters and improve the retail experience.
- Connectivity – improve connectivity and linkages between sub-markets so that consumers have good transportation options, such as the Circulator bus, to access retail in various areas.
- Regulatory Actions – Examine regulatory policies or zoning standards that address the amount of ground floor retail space can be occupied by non-retail uses such as banks, office lobbies, conference rooms, etc.
- Incentives – Explore the option of expanding the Retail TIF program to neighborhoods in support of retail tenant attraction efforts.